

Vehicle License Fee Revenue Generation

Transportation Benefit District – Seattle

Background

The Seattle Transportation Benefit District (STBD) currently imposes an \$80 vehicle license fee (VLF) and 0.1% sales tax.

Upon establishing the STBD, Seattle City Council implemented a \$20 VLF in May 2011 to fund transportation improvements for Seattle residents. This generates more than \$8 million annually and is used by SDOT to fund roadway maintenance and preservation, roadway safety enhancements, transit corridor projects, and bicycle and pedestrian improvements. The \$20 VLF funds also leverage Levy to Move Seattle funding for these basic infrastructure needs.

In 2014, Seattle voters approved a \$60 VLF and 0.1% sales tax increase (“STBD Proposition One”) to expand transit service and access within the city which generates more than \$54 million annually. In total, STBD currently imposes an \$80 VLF and 0.1% sales tax. The voter-approved measure will expire December 31, 2020 and requires additional voter approval to continue beyond 2020.

\$20 VLF – Council Implemented in 2011

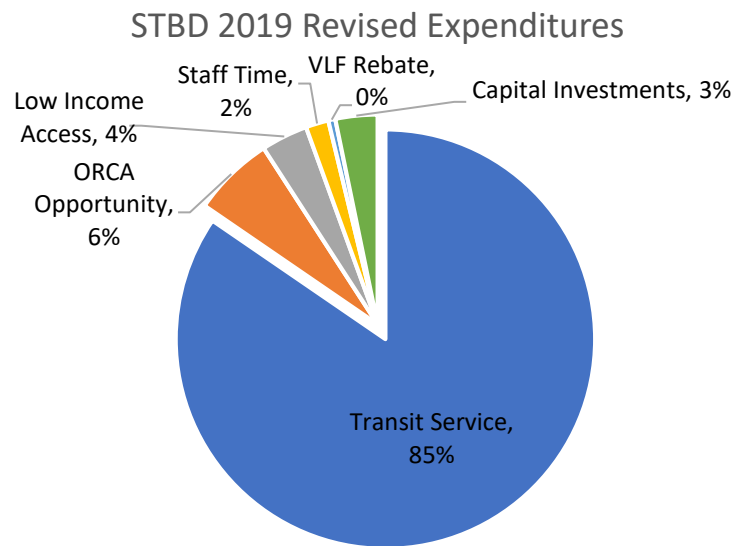
The table below shows how programs are currently funded. For example, Neighborhood Traffic Control, such as the installation of traffic circles to calm neighborhood traffic, receives 100% of current funding from \$20 VLF, while Pothole Repair receives 89% of current funding from \$20 VLF.

Programs Partially Funded by \$20 VLF	Total 2019 Budget (\$ in millions)	Portion Funded by \$20 VLF	\$20 VLF Portion as % of Total Budget ⁴
<u>Capital</u>			
Neighborhood Traffic Control	\$ 0.31	\$ 0.31	100%
PMP - Stairways	\$ 1.36	\$ 0.75	55%
BMP - Protected Bike Lanes	\$ 9.17	\$ 1.09	12%
Arterial Major Maintenance	\$ 6.16	\$ 0.62	10%
Non-Arterial St Resurfacing & Rest	\$ 1.77	\$ 0.16	9%
Transit Corridor Improvements	\$ 11.82	\$ 0.92	8%
SDOT ADA Program	\$ 8.43	\$ 0.63	7%
PMP - Crossing Improvements	\$ 3.69	\$ 0.04	1%
Total Capital	\$ 42.71	\$ 4.50	11%
<u>O&M</u>			
Pothole Repair	\$ 2.51	\$ 2.24	89%
Curb and Pavement Marking	\$ 1.45	\$ 0.22	15%
Citywide & Community Planning	\$ 1.61	\$ 0.23	14%
Street Cleaning Services	\$ 3.71	\$ 0.44	12%
Transportation Operations	\$ 1.56	\$ 0.14	9%
Signal Operations	\$ 2.26	\$ 0.07	3%
Total O&M	\$ 13.10	\$ 3.34	25%
Total	\$ 55.81	\$ 7.84	14%

⁴ May vary from year to year

\$60 VLF – Voter Approved in 2014

STBD Proposition One currently generates approximately \$54.5 million annually, with 55% of the revenues in 2019 coming from sales tax (\$30 million) and 45% of the revenues from the \$60 VLF (\$24.5 million). A majority (about 80%) of current Prop 1 funds are spent on transit service) – with remaining funds spent on ORCA Opportunity, Capital Investments, Low-income Access to Transit, and Planning and Analysis (see chart below).



STBD Expenditures		
Programs	2019 Revised Budget (\$ in millions)	Description
Transit Service	\$47.0	Includes Regional Partnership routes (\$0.9M) and first mile/last mile service (\$2.6M)
ORCA Opportunity	\$3.5	ORCA cards for Seattle Public School high school students, Seattle Promise Scholars, and income-eligible middle school students
Low Income Access to Transit	\$2.0	Seattle Housing Authority ORCA Opportunity Pilot and Transportation Equity program
Planning, Analysis, and Communications	\$.98	Service Planning, Performance Reporting, Transit Advisory Board support, Marketing and Communications
VLF Rebate	\$.3	Implements \$20 rebate to income-eligible residents that paid the \$60 VLF. This program would be discontinued if I-976 passes since the VLF would no longer be collected.
Capital Investments	\$1.8	Funds transit capital projects to improve transit speed and reliability and passenger amenities
Total	\$55.6	
Reserve	\$20.0	Prop 1 maintains a reserve in order to ramp down service in the event that the voter-approved measure is not renewed
Unprogrammed Underspend	\$3.2	In Q2 2019, a General Ledger update identified additional revenues from 2017 and 2018 amounting to \$3.2M. SDOT plans to program these funds to capital projects in 2020.